

Good Morning/Afternoon. My Name is Donald Carey

Thank you for the opportunity to contribute to the discussion about repealing the Connecticut Business Entity Tax. I am in favor of repealing this tax, Bill SB400.

I am the owner of Sunrise Homes Corporation in Rocky Hill. We are home designers and builders. Our business is 30 years old and supports 3.1/2 families in addition to our suppliers and contractors. I also have a design business that supports Sunrise Homes.

We still have this "temporary" tax that was meant to fill a budget gap. The State now has a surplus and we still have the tax. It reminds me of the telephone excise tax instituted to fund the Spanish American war that was just repealed a short time ago after 90 years. The Business Entity Tax is a tax on the mere existence of my business. We already pay taxes just to exist. We have to register as Home Improvement Contractors and New Home Builders at an annual cost of \$640.00 in addition to registration fees to the Secretary of State whether we do any business or not.

There are other costs just to exist. There are salaries, payroll taxes, fringe benefits, insurance, rent, advertising, bank fees, truck expenses, fuel taxes, cost of equipment and repairs, professional fees, postage, telephone, internet fees, property taxes, and travel expenses. The list goes on and on.

I need to generate \$2,948 in revenue per business day just to keep the doors open and pay my people. That's not counting any paycheck for me, nor heaven forbid, a reasonable profit. As of this moment, I have not been paid anything in 2008 for my time and energies, yet in my hand I have two bills from the State of CT for \$500. This is due and payable whether I have the money or not. If I can't pay, the state will add fees, interest and lien my home until I do pay. So you can see when presented with this unfair tax, it goes to the top of the pile.

I have started a small consulting company but have merged it with my design company so I won't have to pay yet another \$250. Free enterprise built this country and continues to pay the bills. How many other people who have entrepreneurial dreams will not pursue those dreams in the State of Connecticut because of the obstacles the State places before them? I read in the papers about people who have left the state for more promising locations. Taxes like this send the wrong message to those entrepreneurs.

Who knows how many people would feel encouraged to start a small business if they think the climate in Connecticut is supportive of their success? It is all about perception. When the State of Connecticut says we support business and then place undue burdens such as this tax, who can believe you? It sends the wrong message.

There are those who say that businesses can easily afford this tax since they are making so much money. Don't forget, you get to take income taxes from us when we do make a paycheck or a profit. In fact, when you get rid of this tax, you will increase the bottom line of companies by that amount and the State will collect more in income tax revenues. Do the basic rules of economics not apply at the State Capitol?

When companies decide that it just isn't worth it anymore, they can, and do move. They do close their doors. What happens to their employees? Their suppliers? Their contractors? What happens to your tax revenues? How long do you think I can go on without a paycheck? How long will a business stay here without profits? Send us the message that you REALLY support business and you REALLY want us stay here. Get rid of this unnecessary tax.

Thank you for your time.
Donald Carey, MS, President,
Sunrise Homes Corporation